

BRIDGEWATER SYSTEMS CORPORATION

STRATEGY COMMITTEE MANDATE

1. Policy Statement

It is the policy of Bridgewater Systems Corporation (the “Corporation”) to establish a Strategy Committee (the “Committee”) to consider, and if deemed advisable by the Committee, to make recommendations to and to supervise negotiations on behalf of the board of directors (individually a “Director” and collectively the “Board”) of the Corporation with respect to:

- (a) strategic alternatives to enhance shareholder value; and
- (b) the Corporation’s acquisition program.

The Committee shall be provided with resources commensurate with the duties and responsibilities assigned to it by the Board, including appropriate administrative support.

2. Composition of Committee

- (a) The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Governance, Nominating and Compensation Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the Chairman of the Committee or may delegate such authority to appoint the Chairman of the Committee to the Committee.
- (b) Each member of the Committee must be a Director who is: (i) free from any conflict of interest with respect to any proposed transaction falling within the scope of this Mandate, and (ii) is independent to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules and regulations, and stock exchange requirements (“Applicable Laws”). In this Mandate, the term “independent” has the meaning ascribed to such term by Applicable Laws, and includes the meanings given to similar terms by Applicable Laws, including the terms “outside” and “unrelated” to the extent such terms are applicable under Applicable Laws.
- (c) A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

3. Meetings and Procedures of the Committee

- (a) The Committee shall convene at such time and place as may be acceptable to the Chairman of the Committee and whenever a meeting is requested by the Board, a member of the Committee or the Chief Executive Officer of the Corporation.
- (b) Notice of each meeting of the Committee shall be given to each member of the Committee, who shall each be entitled to attend each meeting of the Committee.
- (c) Notice of a meeting of the Committee shall:
 - (i) be in writing, which includes electronic communication facilities;

- (ii) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (iii) to the extent practicable, be accompanied by a copy of documentation to be considered at the meeting; and
 - (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- (d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. Questions arising at any duly constituted meeting of the Committee shall be decided by a majority of votes of the members present.
- (e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (f) In the absence of the Chairman of the Committee, the members of the Committee shall choose one of the members present to be chairman of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- (g) The Committee shall have such access to the personnel of the Corporation, including all Directors, officers and employees, and the legal, technical, accounting, audit, tax and other professional advisors or consultants of the Corporation as may be required for the Committee to fulfil its Mandate. The Committee shall consult in advance with and follow the recommendations of the Disclosure Committee with respect to any inquiries the Committee wishes to make pursuant to this sub-section.
- (h) Minutes shall be kept of all meetings of the Committee and shall be signed by the chairman and the secretary of the meeting.
- (i) The Committee shall have the authority to modify its procedures or adopt such additional procedures as may be necessary to carry out its responsibilities, provided that the Committee's procedures shall at all times be consistent with this Mandate.

4. **Duties and Responsibilities of the Committee**

(a) **Reporting**

The Committee shall report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as contemplated by this Mandate or otherwise deemed appropriate. Reports to the Board shall generally be made at the next ensuing regularly scheduled Board meeting, provided that the Committee shall promptly report any information of a time-sensitive nature to the Board between regularly scheduled Board meetings if necessary.

(b) **Strategic Alternatives**

The Committee shall investigate, review, consider and advise the Board on strategic alternatives to enhance shareholder value, including but not limited to a special dividend, a substantial issuer bid, the role of the Corporation's acquisition program, and/or a sale of or strategic partnership by the Corporation; provided that notwithstanding anything to the contrary herein the Committee shall not initiate a sale process except with the prior approval of the Board.

Without limiting the generality of the foregoing, the specific duties and responsibilities of the Committee respecting such strategic alternatives shall include the following:

- (i) the Committee shall consider and assess on its own initiative strategic alternatives, and provide suggestions and inputs to management;
- (ii) the Committee shall provide a forum in which the Chief Executive Officer of the Corporation, alone or with other members of senior management, can present preliminary thinking or planning on strategic opportunities and receive advice and counsel from the Committee in the formative stages of developing recommendations for consideration by the Board;
- (iii) the Committee shall review, consider and advise the Board on strategic alternatives, if any, proposed by any shareholder or other stakeholder of the Corporation;
- (iv) to the extent that there are any unsolicited expressions of interest in making a take-over bid for the securities of the Corporation or otherwise acquiring the Corporation or its business:
 - A. the Committee shall review and consider any such expressions of interest;
 - B. as appropriate, the Committee's responsibilities shall include investigating, reviewing and considering alternatives to any proposed take-over bid or other acquisition that may be available to the Corporation;
 - C. in consultation with the Board, the Committee shall negotiate and establish the terms of any proposed take-over bid, other acquisition or alternative transaction, subject to the final approval thereof by the Board;
 - D. to the extent that responsibility for dealing with bidders and potential bidders is delegated to management, the Committee's oversight includes the duty to ensure that such delegation remains subject to the Committee's supervision; and
 - E. the Committee shall report its finding in respect of any proposed take-over bid, other acquisition or alternative transaction to the Board and make such recommendations as the Special Committee considers appropriate;
- (v) the Committee shall approve all public disclosures concerning the Committee's and the Board's activities and deliberations; and

- (vi) the Committee shall make recommendations from time to time to the Board concerning such other matters, including matters related to the Corporation's strategic direction, as the Committee may deem appropriate or as may be referred to it from time to time by the Board.

(c) **Acquisition Program**

The duties and responsibilities of the Committee respecting the Corporation's acquisition program include the following:

- (i) the Committee shall investigate, review, consider and advise the Board on opportunities for acquisitions of complementary businesses, products, assets or technologies;
- (ii) in evaluating prospective acquisitions, the Committee shall consider, among other factors as appropriate:
 - A. the prospective acquisition's potential to accelerate customer penetration in new markets and expand the Corporation's existing product portfolio;
 - B. whether the prospective acquisition is consistent with the Corporation's overall growth strategy; and
 - C. the potential of the prospective acquisition to be accretive and enhance shareholder value;
- (iii) the Committee shall, as appropriate, establish parameters and guidelines for management for pursuing acquisition opportunities;
- (iv) the Committee shall investigate, review, consider and advise the Board on any specific proposed acquisition, including the structure of the proposed transaction; and
- (v) in consultation with the Board, the Committee shall negotiate and establish terms of any specific proposed acquisition, subject to the final approval thereof by the Board.

5. **Outside Advisers**

In connection with the duties and responsibilities set forth in this mandate, the Committee may retain:

- (a) independent legal counsel;
- (b) an independent financial advisor or advisors; and
- (c) such additional advisors as the Committee determines to be necessary or desirable.

Provided that the terms and conditions of any such retainer or engagement are approved in advance by the Board, the expenses of independent legal counsel, independent financial advisors and additional advisors appointed pursuant this paragraph 5 shall be borne by the Corporation.

Approved by the Directors on July 28, 2009.